

State of Alaska FY2011 Governor's Operating Budget

Department of Natural Resources Director's Office/Mining, Land, & Water Component Budget Summary

Component: Director's Office/Mining, Land, & Water**Contribution to Department's Mission**

Encourage the settlement of state land and the development of state resources by making them available for maximum use consistent with the public interest. (Constitution; Article VIII, Sec 1).

Key Component Challenges

This section summarizes the key challenges for the Division of Mining, Land and Water (DMLW). For more information see the discussion within individual budget components.

DIVISIONWIDE ISSUE:

Hiring and Retention - Increasingly, it is more difficult to recruit and retain qualified people to work for the Division. The pay and benefits do not compete with federal, municipal, or private agencies. We are finding it exceptionally difficult to hire some job series like surveyors and upper level managers because of the non-competitive salaries. Often positions are recruited multiple times with no success; some remain open for over a year. In addition, many seasoned employees have retired or moved on leaving an inexperienced staff in the journeyman level positions which in turn reduces efficiency due to the steep learning curve. As the division invests training into new employees, the employees quickly find other higher paying jobs or advance within the department, creating the ripple effect of more hiring and training. This problem of attracting and retaining employees has reached a critical point where some basic services are not being provided to the public, with no expected improvement within the current budget constraints. (Details of the results of this pervasive problem can be seen in each component.)

LAND ISSUES:

Land Stewardship - The Division is responsible to manage state lands for long term sustainability and public use. There is an increasing demand from the public, legislators, boroughs, and municipalities for the Division to more actively manage general state lands. Trail damage, use conflicts, dumping, unauthorized commercial use, unauthorized use of resources, trespass structures, easement encroachments, abandoned vessels and vehicles are all increasing throughout the state but mostly near population centers. The state is losing revenues, the problems are compounding when not addressed, and the Division is unable to effectively respond to the high number of issues. New statutory and regulatory changes are needed to give division employees the tools to effectively deal with compliance issues (see details in the Claims, Permits and Leases component).

New Public Use Area Management - The Knik River Public Use Area was established during FY07, and the legislature provided specific language and funding for the Division to develop management plan and to provide active land management in this area. A key component in this legislation was to give the Division the needed enforcement authority to effectively manage state land in this area. This same enforcement authority is needed for the rest of the state. During FY09 the management plan will be implemented and regulations enforced to address many of the contentious issues (see details in Claims, Permits and Leases component).

Easement and Access Management - The Division is responsible for managing and permitting, through issuance of easements and other authorizations, public and private access on and across state lands. Due to increasing public and private sector demand for access across state land, DMLW is not able to process all requests for such access. As populations expand and more land becomes private, legal access becomes more important. The Division is seeing an increase in public requests to assert easements, define exact locations for previously asserted easements, resolve use conflicts, remove encroachments and blockages, and to vacate those previously asserted. The staff time required to resolve these issues is large, ever-increasing and under-funded (see details in Claims, Permits and Leases component).

RS2477 Assertion and Management - The Division supports the public use of RS2477s within the given bounds of law. The division often must determine the existence of the RS2477s, locate them because most are not surveyed, and resolve blockage or other encroachment issues. This is a time consuming task because the public generally does not understand the complexities of the laws that govern RS2477s and the lack of surveys locating them on private property. The Division also is looking at other ways to provide legal public access along RS2477 routes without the necessity of taking expensive and lengthy legal action. (For more information see both the Claims, Permits and Leases; and RS2477/Navigability Assertions and Litigation Support components.)

Permit/Lease Processing - The number of permit and lease applications for use of state land is increasing. In many cases, it takes too long for the Division to process permits or leases. Many applications stay in a large backlog of

work that the Division will not be able to address without additional staff. This is in part because of the complexity of the land management decisions and in part because there is not enough staff to do the work required. The Division is also increasing efficiency and improving the quality of the Division's land management by making better use of technology through such techniques as allowing on-line payment and applications, and through streamlining procedures and processes. (See details in Claims, Permits and Leases component).

Land Sales to Alaskans - The key issue for land sales for FY10 is to identify and offer new areas for sale under the Subdivision and Remote Recreational Cabin programs, and to find methods to increase revenues from the already profitable program. Over the course of four years the Division has increased the number of parcels offered to its present levels. DNR is finding it increasingly more challenging to maintain land sales at the level of 250 remote recreation parcels to 300 subdivision lots per year due to several reasons. The first reason is that recent large acreages conveyed to municipalities and the recent grant of 250,000 acres of state land to the University have removed some of the most accessible and desirable state land from DNR's long-term land disposal portfolio. The second is that municipalities, through their platting authority, are often requiring DNR to provide access or roads, often at considerable cost, as conditions of their approval of new land sales. The Department of Transportation and Public Facilities (DOT/PF) now requires road apron development for new subdivisions and the Corps of Engineers is requiring wetland delineations for the new sales. All of these new requirements are expensive and challenge the timeline for meeting the target offering amounts. (For more information, see description in Land Sales and Municipal Entitlements Component.)

Land Transfers to Municipalities under Municipal Entitlements - The challenge is to meet the accelerated schedule and performance measures for municipal entitlements with a goal of transferring 20,000 acres in FY09 and 20,000 acres in FY10. (For more information, see description in Land Sales and Municipal Entitlements Component.)

BLM Accelerated Land Conveyance Program (BLM 2009) - The US Bureau of Land Management (BLM) is nearing the completion of the Accelerated Land Transfer Act. BLM has reached its near term target of conveying 96% of the State of Alaska's land entitlement and 94% of the ANCSA Corporations. The majority of the land transferred is unsurveyed and will require survey before exact acreage calculations can be made. The challenge for the Division is to negotiate a new Assistance Agreement with BLM to provide funding for the auditing of completed selection files, reconcile the discrepancy in the amount of land transferred to the State (1 million acres discrepancy) and continue the review of BLM decision documents. The division must continue to monitor lands proposed for conveyance to ensure that the state receives its highest priority lands. Funding from the BLM will also be necessary to continue to monitor ANCSA conveyances for access and process 1906 Native Allotment applications. (For more information, see description in Title, Acquisition and Defense Component.)

Review of Easements under Sec. 17 (b) of ANCSA - The Division is actively involved in the identification of easements that are reserved in federal conveyances to Native corporations, and to helping resolve management issues affecting these state easements and state land. As BLM increases the rate of land transfers under the ANCSA, the challenge is to defend state's rights in BLM's decisions and during BLM's termination process, and to help resolve management issues. (For more information, see description in Title, Acquisition and Defense Component.)

University Land Conveyance - Due to a recent Alaska Supreme Court decision, the Division has halted implementation of the University Land Conveyance. Due to negotiations with the plaintiff and the Superior court, the Department does not intend to accept reconveyance of the parcels already conveyed to the University until the end of the second legislative session. The challenge to the Division is to assist in crafting legislation that limits the number of parcels that the state is required to receive in reconveyance. (For more information, see description in Title Acquisition and Defense Component.)

The School Trust Lands - Valuation and litigation is part of the Title Defense Project. Resolution requires significant staff work, in a manner acceptable to the court. (For more information, see description in Title, Acquisition and Defense Component.)

Navigability - The issue of navigability determines who owns and manages the land under waterbodies in Alaska. The Division is working with BLM to use the Recordable Disclaimer process to clearly establish the state's ownership of the land under these waters. (For more information, see description in the RS2477/Navigability Assertions and Litigation Support Component.)

WATER ISSUES:

Funding and Performance Measures for Service - The complexity, competing interests, growing demands, and controversial developments of water appropriations are all increasing the processing time for new and backlog applications. Not adjudicating a water right application within a reasonable time, or not processing a necessary amendment to an existing water right, will result in: delays in financing and development of projects; no legal rights or certainty during disputes over water; cost and impacts of litigation; and impacts to public trust resources. Due to staff

shortages and the inability to change certain regulations to create efficiencies, there continues to be a growing backlog of applications. (For more information, see Water Development Component.)

Dam Safety - With the increase in mine development projects and a greater number of dams being built in the state, the staff of one dam safety engineer is over taxed to provide needed oversight. (For more information, see Water Development Component.)

MINING ISSUES:

Permitting and Managing Alaska's Large Mine Industry - As a result of good metal prices combined with a supportive business climate and regulatory improvements, the state has seen increases in mining claim staking, mineral exploration and mining activities throughout Alaska and on state lands in particular. Gold prices peaked at over \$1000 /ounce. Most commodity prices are stable to increasing. The division processed over 3517 claims in FY09; more acreage is under claim than at any time in the past. Through FY10, we expect to have about 4.8 million acres under mining claims. Today, we have a more active placer industry and an expanding suite of large hardrock and coal mines. In 2008, Red Dog, Greens Creek, Fort Knox, Pogo, Rock Creek, and the Usibelli Coal Mine were in production, while Kensington was in development. The Chuitna Coal project near Tyonek began submitting permit applications in 20086 and continues with application revisions. The division has also seen a renewed interest in coal with new exploration permit applications received for the Beluga Filed and the Matanuska Valley. BHP announced in the fall of 2009 that Exploration of the Western Arctic will be halted. The large Donlin Creek project is expected to initiate permitting in 2010 and the Pebble project is expected to initiate permitting in 2011.

Until the early 1990s, Alaska held only a placer mine industry. Since that time, Alaska has developed an increasing industry of large mines: Fort Knox, True North, Pogo, Greens Creek, Kensington, and soon perhaps Donlin Creek and Chuitna Coal. An important challenge for Alaska in FY09 is continuing the permitting to enable the development (or continued development of Alaska's Large Mines):

- **Pogo Project** - Monitor operations.
 - **Red Dog** - Finalize reclamation and closure and financial assurance.
 - **Kensington** - Possible transition from construction to production contingent on results of litigation.
 - **Green's Creek** - Monitor operations.
 - **Illinois Creek** - Monitor water quality
 - **Rock Creek** - Monitor environmental compliance.
 - **Donlin Creek** - Anticipate permit applications to initiate project development.
 - **Chuitna Coal** - Issue draft supplemental EIS and issue permits and development.
 - **Pebble Copper** - Review of baseline studies.
 - **Niblack** - Permit exploration.
 - **Technical Review of Canadian Mine Program** - For projects adjacent to Southeast Alaska.
- (For more information, see Claims, Permit and Leases component.)

Significant Changes in Results to be Delivered in FY2011

Adjusted Land Sale Program - The Division will focus more on providing higher quality subdivisions, while possibly not meeting the target quantity of lots, in order to meet revenue expectations.

Accelerated Land Conveyance from BLM (BLM 2009) - In FY11, the state will be responding to significantly fewer federal decisions to transfer land to ANCSA Corporations, Native Allottees and the state as BLM winds down its accelerated land transfers. BLM has reached its target to transfer 94% of ANCSA entitlement and 96% of state entitlement by the end of FY09. The decisions reviewed by the Division will be more complicated and the necessity for close scrutiny increased. The Division will require more time to review each BLM decision to ensure that only the most valuable lands to the state are accepted for conveyance and that the land pattern created is the most advantageous to the state. (For more information, see description under "Key Component Challenges" In the Title Acquisition and Defense component.)

University Land Conveyance - In FY11, the Division will be working with the legislature and the Superior court to help determine which lands already conveyed to the University will be reconveyed to the state in compliance with the recent Supreme Court's decision finding the original University legislation unconstitutional.

Navigability and RS2477 - DNR implemented the SB305 Navigability mapping website in FY09. Regarding the navigability program, DNR anticipates filing additional applications for Recordable Disclaimers of Interest (RDI) for up to 40 additional water bodies and to receive from BLM RDIs for 10-20 water bodies. DNR will also try a pilot

assertion for a right-of way across federal lands through an administrative process, rather than quiet title action.

Knik River Public Use Area - The management plan and regulations were completed in FY09. On site management presence will increase in the area. (See Claims Permits and Leases component for details.)

Major Component Accomplishments in 2009

This section summarizes the major component accomplishments for the remaining five components within the Division of Mining, Land and Water. For more information see the discussion within individual components.

Revenue To Alaska - In FY09, the division brought in more than \$1.8 million more than it cost to operate. Revenue from all sources was \$18.9 million, and costs were \$17.1 million. The revenue is almost all generated by two components: Claims, Permits, and Leases; and Land Sales and Municipal Entitlements. The revenue from those two components more than carried the costs for the entire Division. This year (FY10), the Division expects to bring in \$2120.2 million in Revenue, and cost approximately \$18.1 million. Of the revenues, the Claims, Leases and Permits component is expected to bring in \$12.0 million. The Land Sales and Municipal Entitlement component will bring in another \$6.4 million. These figures do not include revenues that result from other state land activities, such as oil and gas royalty, forestry stumpage fees, mining license tax, etc. that are dependent on title, planning, survey and other DMLW functions.

Land Accomplishments:

Permit/Lease/Claim Processing; Revenues to the State of Alaska - This component of the division processed a wide variety of permits, mining claims, and leases. In FY09, this work resulted in approximately \$12.3 million dollars in revenue to the state including fees, rents, and royalties, primarily from mining activities. This figure also includes federal revenue to the component. It does not include revenues such as taxes, royalties, or timber stumpage that accrue through other divisions or departments. Of this amount, approximately \$423 thousand was allocated to the permanent fund. The cost of this component in FY08 was \$9.7 million. For FY09, the revenue is expected to be \$11.8 million.

Revenue Backlog Project - The Division continues to work through revenue-generating backlogged authorizations. Two positions in the Northern and Southcentral region completed detailed audits on over 40 leases, right-of-way, and permits. 47 were finished where customers paid a total of \$194,371 in fees, current rents, and back rents. An additional \$494,907 has been identified for collection. In addition, the authorizations also represent over \$82,000 in annual rents that will come in for many years in the future.

Examples of Other Land Management Accomplishments:

- Continued to work with local residents to clean up parcels of state land that have been used as illegal dumping sites and other illegal uses. Sites include Jim Creek near Palmer and Exit Glacier near Seward. We have removed over 10 destroyed vehicles from Jim Creek.
- Continuation of RSAs with the Department of Public Safety to increase enforcement presence in the Knik River PUA..
- Managed public use pressures in and mitigated trail damage by improving or rerouting new or existing trails in Denali Tangle Lakes Special Use Area.
- Issued easements for defined segments of the Iditarod Trail. Worked with native corporations and local communities to mitigate trail location issues and impacts.
- Issued 28 easements to the USFS as part of the reciprocal easement project in SE Alaska.
- Assist over 26,000 people with information and assistance through the Public Information Centers and division staff.
- Provided legal access to 15 state disposal areas.
- Created a new online over the counter permit for the commercial use of Non-timber Forest Products.
- issued appr. 160 permits for camps, cabins and other commercial or agency uses in FY 09.
- NRO Guide Sites: Inspected 30 sites related to commercial guiding, trapping cabins and trespass in the Wood River/Gold King/Alaska Range/Chandalar River areas.
- Issued the lease for the largest wind generation project in the state on Kodiak Island.
- Ongoing Tundra Travel Monitoring/Data Collection: Issued permit for one of the earliest prepacking efforts on record for an ice road that caused some of the least impact of all ice roads on the North Slope.

Land Sales to Individual Alaskans - In FY09 through the annual auction and over the counter (OTC) lottery and sales, the department sold 316 parcels or 2,306 acres for a total value of \$4,518,145.00 (gross sales price during that year

only, does not reflect actual revenue received by the State, which is higher). In addition another 82 parcels or 1,263 acres were sold through the Remote Recreation Cabin Sites Program. DNR offered 220 parcels in the FY09 auction and 280 authorizations for individuals to stake their own parcel through the remote recreational cabin sites program

Land Transfers to Municipalities Under Municipal Entitlements - Significant progress has been made since FY04 to reduce the pending entitlements owed to Municipalities, with 368,540 acres being transferred to municipalities during this period. Entitlements for the Aleutians East, Yakataga, and Matanuska-Susitna Boroughs have been completed and a large portion of the Lake and Peninsula, Denali, and Northwest Arctic Boroughs have been completed. DNR expects to make progress on the Denali, Northwest Arctic, and North Slope Boroughs entitlements within the next two fiscal years work and this will continue to require revisions to the area plans that will enable conveyances to these boroughs. In some cases site specific plans will need to be prepared.

Land Planning for Disposal and Development - In FY09 many of the planning efforts underway in previous years are scheduled to be completed. Revision of the Northwest Area Plan will eventually result in the conveyance of an additional 26,000 acres to the North Slope Borough. Revision of the Prince of Wales Area Plan will result in 6,500 acres being classified for settlement or timber disposal. An additional 1.2 million acres of tide and submerged lands were also classified; some of these were classified to support timber management operations, waterfront development, and general development.

Land Transferred into State and ANCSA Ownership - Land Transferred into state ownership – in FY09, the state received over 1.9 million acres from the federal government under its land grants. This was part of the accelerated federal land transfer program. As part of this effort, the Division has increased review of ANCSA Corporation conveyances and draft conveyances to the state.

Land Transferred out of State Ownership - Land Transferred out of state ownership – in FY08, DNR issued 455 deeds to transfer approximately 15,552 acres from state to private, municipal, and other ownerships. DNR also approved numerous additional land transfers (such as for municipal entitlements) but deeds cannot be issued until the land is surveyed.

RS2477:

1. In FY06 the Department of Law filed Quiet Title for two routes from Coldfoot to Chandalar Lake. All settlement decree stipulations have been met in FY08 and the case is closed.
2. Researched RS2477 rights of way for an easement application with BLM. Top candidates were eliminated by last minute priority selections by Doyon. Alternate candidates are being finalized for application.
3. Reviewed all state and federal land conveyances for RS2477 and ANCSA Section 17(b) easement conflicts and assertions.
4. Reviewed requests for subdivision plats for RS2477 easement conflicts to ensure viable alternative access is provided.
5. Researched historical trails with the intent to nominate to the Legislature for codification as a RS2477.

Navigability:

1. Coordinated and assisted in historical navigability research on approximately 120 rivers in the Kuskokwim Basin for possible RDI application submission
2. Issued navigability determinations for various bridge, road, and other development projects and made navigability determinations for state land conveyances to Municipalities and private parties.
3. Reviewed and responded to BLM navigability determinations and proposed BLM land conveyances, to defend state sovereign submerged land from being erroneously conveyed.
4. Assisted the Attorney General's Office in research related to administrative appeals and litigation regarding navigable waters and 17(b) easements.
5. Provided information to the legislature, agencies and the public on the navigability of water bodies.

6. Responded to various requests submitted by phone, e-mail, navigability website and letters.
7. Challenged BLM navigability report on Chuitna River, thereby getting the BLM State Director to reconsider the Department's position.
8. Planned and conducted baseline field research on Kandik, Nation, Chuitna and Talachuitna River basins. Discovered a significant ancient archeological site, corroborating historical travel trade and commerce reports.
9. Conducted field research on Kotsina River to survey ordinary high water mark in association with Copper River access disputes and gravel extraction in the Kotsina River Delta.
10. Developed policy and litigation recommendations and prepared information packets for Interagency Navigability and Access Team (DNR, Alaska Department of Fish and Game and Department of Labor)
11. Published a statewide navigability map on the Division's webpage.

Mining Accomplishments:

In its role in permitting and in the technical review of large mine projects, in FY09 the division completed the following:

- Illinois Creek post-closure water quality monitoring and reclamation success monitoring was conducted by ADNOR & ADEC staff three times in calendar year 2008 and twice during 2009.
- Compliance inspections were completed for the Kensington Gold Mine. Mine construction resumed in the summer of 2009 after the State was successful in defense of permits in the US Supreme Court.
- Monitored the Rock Creek Mine, which entered Temporary Closure Status in November 2008..
- Issued draft Reclamation and Closure Plan approval and revised financial assurances for the *Red Dog Mine Project*. Completion of the permit renewals is scheduled for December 2009.
- Completed regular inspections of the Pebble exploration project; staff time is increasingly being consumed responding to lawsuits and appeals concerning the exploration permit for Pebble and the associated BBAP lawsuit.
- Completed environmental audits and preliminary bond reviews at the Pogo and Greens Creek mines.
- Conducted compliance inspections at all active hardrock and coal mines.
- Completed compliance inspections for the Nixon Fork Mine which went on care and maintenance in 2008.
- Also made progress on important planning and permitting work on: *Chuitna Coal Project and Donlin Creek*.
- Updated coal mining regulations to conform with federal mandates. Codification of the regulations is proceeding.

Water Accomplishments:

Processing Water Rights - The Water Management Unit processed 68% of the water rights applications received during FY08, even with additional adjudication work resulting from increased competition for water sources and enforcement actions.

Processing Temporary Water Use Authorizations - The Water Management Unit processed 91% of the Temporary Water Use Authorization applications received. To ensure that the authorizations can withstand any legal challenges, staff went to unusual lengths to ensure that the record showed that staff had gone above and beyond procedures requirements for issuing the authorizations and reflected documentation that showed the environment would be protected. The lack of litigation is a significant change and increased the reliability of the authorizations for the applicants.

The Unit also asserted the state's interest and authority in water allocation issues raised by federal actions. Finally, staff managed more than over 22,000 adjudicated water property rights, water use files and pending applications.

The **Alaska Hydrologic Survey Unit** (AHS) provided Division staff with hydrologic data and data analysis for support of adjudication and issuance of temporary water use authorizations and water rights throughout the State. Legal issues pertaining to protection of private property and property rights through illegal diversions and use of water and drainage of aquifers associated with gravel extractions were successful. Increased participation in the hydrologic data interpretation needs for the protection of instream flows for the preservation of habitat through the State's instream flow reservation process has also proven successful. Continued participation in the State's Large Mine Project Team including, such as participating in studies for the controversial Pebble Copper mine project and oversight of the operational Red Dog Mine, are essential services AHS provides.

In all, AHS has met its goals by: responding to over 1300 individual requests for hydrologic assistance; posting all of the 480 additional water well logs received to the WELTS system bringing the total number of well logs to over 33,000 individual wells; providing oversight of hydrologic data needs for issuance of temporary water use permits for North Slope oil field operations; participating in 5 active major industrial mine projects (Usibelli, Red Dog, Pogo, Fort Knox, Rock Creek); participating in 2 industrial mining projects in the exploration phase (Pebble, Donlin,); participating in the closing of the Nixon Fork mine; and numerous small projects. The continued success of the WELTS online database giving access to groundwater data statewide is evidenced by the 16,650 "hits" recorded during FY08. Without the online system an unknown number of individual requests requiring manual AHS staff retrieval of data would have reduced to nearly eliminated AHS staff availability to support many of the other projects/support issues completed.

The Dam Safety and Construction Unit

issued a Certificate of Approval to Operate, Construct, Modify, Remove, or Abandon a Dam for 21 dams in Alaska in FY2009 including, nine dams in the city of Kodiak water supply system and four dams at the Alitak Cannery on Kodiak Island. Three Emergency Action Plans were exercised, and one updated plans was received. There are current Emergency Action Plans on file for 17 dams, bringing the level of compliance to 35%, A Periodic Safety Inspections occurred on 6 dams, but several more became due, resulting in a level of compliance at 50%.

Statutory and Regulatory Authority

AS 27; AS 29; AS 38; AS 41; AS 46; 11AAC;

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**Director's Office/Mining, Land, & Water
Component Financial Summary**

All dollars shown in thousands

	FY2009 Actuals	FY2010 Management Plan	FY2011 Governor
Non-Formula Program:			
Component Expenditures:			
71000 Personal Services	362.8	361.4	362.7
72000 Travel	19.1	22.4	22.4
73000 Services	34.8	41.0	41.0
74000 Commodities	15.8	13.8	13.8
75000 Capital Outlay	0.0	0.0	0.0
77000 Grants, Benefits	0.0	0.0	0.0
78000 Miscellaneous	0.0	0.0	0.0
Expenditure Totals	432.5	438.6	439.9
Funding Sources:			
1004 General Fund Receipts	377.1	404.0	405.1
1007 Inter-Agency Receipts	55.4	34.6	34.8
Funding Totals	432.5	438.6	439.9

Estimated Revenue Collections

Description	Master Revenue Account	FY2009 Actuals	FY2010 Conference Committee	FY2010 Authorized	FY2010 Authorized	FY2011 Governor
Unrestricted Revenues						
None.		0.0	0.0	0.0	0.0	0.0
Unrestricted Total		0.0	0.0	0.0	0.0	0.0
Restricted Revenues						
Interagency Receipts	51015	55.4	0.0	0.0	34.6	34.8
Restricted Total		55.4	0.0	0.0	34.6	34.8
Total Estimated Revenues		55.4	0.0	0.0	34.6	34.8

**Summary of Component Budget Changes
From FY2010 Management Plan to FY2011 Governor**

All dollars shown in thousands

	<u>General Funds</u>	<u>Federal Funds</u>	<u>Other Funds</u>	<u>Total Funds</u>
FY2010 Management Plan	404.0	0.0	34.6	438.6
Adjustments which will continue current level of service:				
-FY2011 Health Insurance Cost Increase Non-Covered Employees	1.1	0.0	0.2	1.3
FY2011 Governor	405.1	0.0	34.8	439.9

Director's Office/Mining, Land, & Water Personal Services Information				
Authorized Positions			Personal Services Costs	
	FY2010 Management Plan	FY2011 Governor		
Full-time	5	5	Annual Salaries	250,299
Part-time	0	0	Premium Pay	0
Nonpermanent	0	0	Annual Benefits	127,808
			<i>Less 4.07% Vacancy Factor</i>	(15,407)
			Lump Sum Premium Pay	0
Totals	5	5	Total Personal Services	362,700

Position Classification Summary					
Job Class Title	Anchorage	Fairbanks	Juneau	Others	Total
Accounting Tech II	1	0	0	0	1
Administrative Officer II	1	0	0	0	1
Division Director	1	0	0	0	1
Division Operations Manager	1	0	0	0	1
Office Assistant II	1	0	0	0	1
Totals	5	0	0	0	5

Component Detail All Funds
Department of Natural Resources

Component: Director's Office/Mining, Land, & Water (2440)
RDU: Resource Development (136)

	FY2009 Actuals	FY2010 Conference Committee	FY2010 Authorized	FY2010 Management Plan	FY2011 Governor	FY2010 Management Plan vs FY2011 Governor	
71000 Personal Services	362.8	361.4	361.4	361.4	362.7	1.3	0.4%
72000 Travel	19.1	22.4	22.4	22.4	22.4	0.0	0.0%
73000 Services	34.8	41.0	41.0	41.0	41.0	0.0	0.0%
74000 Commodities	15.8	13.8	13.8	13.8	13.8	0.0	0.0%
75000 Capital Outlay	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
77000 Grants, Benefits	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
78000 Miscellaneous	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
Totals	432.5	438.6	438.6	438.6	439.9	1.3	0.3%
Fund Sources:							
1004 Gen Fund	377.1	404.0	404.0	404.0	405.1	1.1	0.3%
1007 I/A Rcpts	55.4	34.6	34.6	34.6	34.8	0.2	0.6%
General Funds	377.1	404.0	404.0	404.0	405.1	1.1	0.3%
Federal Funds	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
Other Funds	55.4	34.6	34.6	34.6	34.8	0.2	0.6%
Positions:							
Permanent Full Time	5	5	5	5	5	0	0.0%
Permanent Part Time	0	0	0	0	0	0	0.0%
Non Permanent	0	0	0	0	0	0	0.0%

Change Record Detail - Multiple Scenarios With Descriptions
Department of Natural Resources

Component: Director's Office/Mining, Land, & Water (2440)

RDU: Resource Development (136)

Scenario/Change Record Title	Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants, Benefits	Miscellaneous	Positions		NP
										PFT	PPT	
***** Changes From FY2010 Conference Committee To FY2010 Authorized *****												
FY2010 Conference Committee												
ConfCom		438.6	361.4	22.4	41.0	13.8	0.0	0.0	0.0	5	0	0
1004 Gen Fund		404.0										
1007 I/A Rcpts		34.6										
Subtotal		438.6	361.4	22.4	41.0	13.8	0.0	0.0	0.0	5	0	0
***** Changes From FY2010 Authorized To FY2010 Management Plan *****												
Subtotal		438.6	361.4	22.4	41.0	13.8	0.0	0.0	0.0	5	0	0
***** Changes From FY2010 Management Plan To FY2011 Governor *****												
FY2011 Health Insurance Cost Increase Non-Covered Employees												
SalAdj		1.3	1.3	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
1004 Gen Fund		1.1										
1007 I/A Rcpts		0.2										
Costs associated with Health Insurance Increases.: \$1.3												
Totals		439.9	362.7	22.4	41.0	13.8	0.0	0.0	0.0	5	0	0

Personal Services Expenditure Detail
Department of Natural Resources

Scenario: FY2011 Governor (7749)
Component: Director's Office/Mining, Land, & Water (2440)
RDU: Resource Development (136)

PCN	Job Class Title	Time Status	Retire Code	Barg Unit	Location	Salary Sched	Range / Step	Comp Month	Split / Count	Annual Salaries	COLA	Premium Pay	Annual Benefits	Total Costs	GF Amount
10-1065	Administrative Officer II	FT	A	SS	Anchorage	2A	19K / L	7.0	**	44,527	0	0	21,544	66,071	49,553
10-1241	Office Assistant II	FT	A	GP	Anchorage	2A	10J / K	12.0		38,784	0	0	24,549	63,333	63,333
10-1472	Division Operations Manager	FT	A	SS	Anchorage	2A	24F / J	6.0	**	49,449	0	0	22,293	71,742	71,742
10-2056	Accounting Tech II	FT	A	GP	Anchorage	2A	14F	6.0	**	23,591	0	0	13,699	37,290	34,493
10-8237	Accounting Tech I	FT	A	GP	Anchorage	2A	12J	6.0	*	22,075	0	0	13,184	35,259	35,259
10-8251	Division Director	FT	A	XE	Anchorage	AA	27F / J	7.5	**	71,873	0	0	32,539	104,412	89,366
													Total Salary Costs:	250,299	
													Total COLA:	0	
													Total Premium Pay:	0	
													Total Benefits:	127,808	
		Total Positions	New	Deleted											
Full Time Positions:		5	0	0											
Part Time Positions:		0	0	0											
Non Permanent Positions:		0	0	0											
Positions in Component:		5	0	0											
Total Component Months:		44.5													
													Total Pre-Vacancy:	378,107	
													Minus Vacancy Adjustment of 4.07%:	(15,407)	
													Total Post-Vacancy:	362,700	
													Plus Lump Sum Premium Pay:	0	
													Personal Services Line 100:	362,700	

PCN Funding Sources:	Pre-Vacancy	Post-Vacancy	Percent
1004 General Fund Receipts	343,747	329,740	90.91%
1007 Inter-Agency Receipts	34,360	32,960	9.09%
Total PCN Funding:	378,107	362,700	100.00%

Note: If a position is split, an asterisk (*) will appear in the Split/Count column. If the split position is also counted in the component, two asterisks (**) will appear in this column. [No valid job title] appearing in the Job Class Title indicates that the PCN has an invalid class code or invalid range for the class code effective date of this scenario.

Line Item Detail
Department of Natural Resources
Travel

Component: Director's Office/Mining, Land, & Water (2440)
RDU: Resource Development (136)

Line Number	Line Name		FY2009 Actuals	FY2010 Management Plan	FY2011 Governor
72000	Travel		19.1	22.4	22.4
Expenditure Account	Servicing Agency	Explanation	FY2009 Actuals	FY2010 Management Plan	FY2011 Governor
72000 Travel Detail Totals			19.1	22.4	22.4
72110	Employee Travel (Instate)	Travel for meetings with state and federal agencies, the legislature, Native Corporations, Industry and the public. Also funds trips for meetings with managers and staff in regional offices, the Commissioner's and the Governor's office. These trips are related to legislation, budgetary matters, and projects relating to Mining, Land and Water. Costs include airfare, lodging, per diem and ground transportation for instate travel.	17.5	17.0	17.0
72400	Out Of State Travel	Travel for project-related meetings with federal agencies and other states, meetings related to special projects, and for training not offered in Alaska. These funds cover airfare, lodging, per diem, and ground transportation for out of state travel.	1.6	5.4	5.4

Line Item Detail
Department of Natural Resources
Services

Component: Director's Office/Mining, Land, & Water (2440)
RDU: Resource Development (136)

Line Number	Line Name			FY2009 Actuals	FY2010 Management Plan	FY2011 Governor
73000	Services			34.8	41.0	41.0
Expenditure Account				FY2009 Actuals	FY2010 Management Plan	FY2011 Governor
73000 Services Detail Totals				34.8	41.0	41.0
73025	Education Services		Training courses and conference registrations.	1.7	2.4	2.0
73150	Information Technlgy		Software licensing and maintenance.	0.1	4.8	3.5
73156	Telecommunication		Telecopiers, cell phones, long distance and local toll costs.	0.4	1.0	0.9
73225	Delivery Services		These funds cover Fed Ex, postage, and other delivery services.	2.1	2.9	2.3
73650	Struc/Infstruct/Land		Repairs and Maintenance	1.6	0.0	0.0
73675	Equipment/Machinery		Minor repair and maintenance of office equipment and machines, office furniture and computer equipment. All repairs are to keep existing equipment operational and available for staff support.	0.4	2.5	1.5
73750	Other Services (Non IA Svcs)		Copier charges and printing associated with regulations.	1.7	2.0	1.6
73804	Economic/Development (IA Svcs)	NatRes	PIC Intern Position	14.2	0.0	0.4
73804	Economic/Development (IA Svcs)	NatRes	Desktop/Network Support	0.0	1.7	2.1
73804	Economic/Development (IA Svcs)	NatRes	Training Room Computer/Network Support	0.0	1.3	1.6
73804	Economic/Development (IA Svcs)	NatRes	PIC Support	0.0	6.6	7.0
73804	Economic/Development (IA Svcs)	NatRes	Fairbanks CIC Support	0.0	0.1	0.3
73805	IT-Non-Telecommnctns	Admin	DOA ETS Computer Services	3.3	2.9	2.5
73805	IT-Non-Telecommnctns	Admin	Microsoft Enterprise Contract.	0.0	0.8	0.8
73806	IT-Telecommunication	Admin	DOA-ETS Telecom EPR. Telecommunication Services/PBX phone lines	2.8	0.1	2.6
73806	IT-Telecommunication	Admin	Phones & Pagers	0.0	3.0	3.0
73809	Mail	Admin	Central Mail Chargeback	0.3	0.2	0.3
73810	Human Resources	Admin	DOA Personnel Costs	0.3	0.6	0.5

Line Item Detail
Department of Natural Resources
Services

Component: Director's Office/Mining, Land, & Water (2440)

RDU: Resource Development (136)

Expenditure Account	Servicing Agency	Explanation	FY2009 Actuals	FY2010 Management Plan	FY2011 Governor	
73000 Services Detail Totals			34.8	41.0	41.0	
73811	Building Leases	Admin	Atwood Building Lease cost	0.8	1.0	0.8
73811	Building Leases	Admin	Atwood Building Garage Chargeback	0.0	1.5	1.5
73812	Legal	Law	Regulations Review	0.0	0.1	0.1
73814	Insurance	Admin	Risk Management Chargeback	0.1	0.0	0.1
73815	Financial	Admin	AKSAS/AKPAY RSA to DOA	0.4	0.3	0.4
73816	ADA Compliance	Labor	ADA Compliance.	0.0	0.1	0.1
73818	Training (Services-IA Svcs)	Admin	Training provided by State of Alaska	0.2	0.5	0.5
73819	Commission Sales (IA Svcs)	Admin	Transaction charges from the State Travel Office.	0.4	0.4	0.4
73848	State Equip Fleet	Trans	State owned vehicle costs includes: State Equipment Fleet - Fuel A87 Allowed State Equipment Fleet - Operating A87 Allowed State Equipment Fleet - Svcs/PRT A87 Allowed State Equipment Fleet - F/C A87 Allowed	4.0	4.2	4.2

Line Item Detail
Department of Natural Resources
Commodities

Component: Director's Office/Mining, Land, & Water (2440)
RDU: Resource Development (136)

Line Number	Line Name		FY2009 Actuals	FY2010 Management Plan	FY2011 Governor
74000	Commodities		15.8	13.8	13.8
Expenditure Account	Servicing Agency	Explanation	FY2009 Actuals	FY2010 Management Plan	FY2011 Governor
74000 Commodities Detail Totals			15.8	13.8	13.8
74226	Equipment & Furniture	Purchase of office furniture and equipment.	0.1	0.0	3.0
74229	Business Supplies	Routine office supplies to include stationary, copier supplies, computer software, office equipment, furniture and training materials.	6.8	4.9	7.1
74233	Info Technology Equip	Computer Equipment.	7.9	7.9	3.2
74236	Subscriptions	Subscriptions.	1.0	1.0	0.5
74855	Unleaded	Fuel for State Vehicle use	0.0	0.0	0.0

Line Item Detail
Department of Natural Resources
Capital Outlay

Component: Director's Office/Mining, Land, & Water (2440)

RDU: Resource Development (136)

Line Number	Line Name		FY2009 Actuals	FY2010 Management Plan	FY2011 Governor
75000	Capital Outlay		0.0	0.0	0.0
Expenditure Account	Servicing Agency	Explanation	FY2009 Actuals	FY2010 Management Plan	FY2011 Governor
75000 Capital Outlay Detail Totals			0.0	0.0	0.0
75400	Materials & Supplies	Costs associated with Navigability survey trip.	0.0	0.0	0.0
75700	Equipment	Costs associated with Navigability survey trip.	0.0	0.0	0.0

Restricted Revenue Detail
Department of Natural Resources

Component: Director's Office/Mining, Land, & Water (2440)
RDU: Resource Development (136)

Master Account	Revenue Description	FY2009 Actuals	FY2010 Management Plan	FY2011 Governor
51015	Interagency Receipts	55.4	34.6	34.8

Detail Information

Revenue Amount	Revenue Description	Component	Collocation Code	AKSAS Fund	FY2009 Actuals	FY2010 Management Plan	FY2011 Governor
59100	Natural Resources	Department-wide	A&E Div Ind	11100	9.0	5.4	5.4
59100	Natural Resources	Department-wide	AML Div Ind	11100	21.6	13.2	13.2
59100	Natural Resources	Department-wide	MLW Div Ind	11100	24.8	16.0	16.2

Inter-Agency Services
Department of Natural Resources

Component: Director's Office/Mining, Land, & Water (2440)
RDU: Resource Development (136)

Expenditure Account	Service Description	Service Type	Servicing Agency	FY2010			
				FY2009 Actuals	Management Plan	FY2011 Governor	
73804	Economic/Development (IA Svcs)	PIC Intern Position	Intra-dept	NatRes	14.2	0.0	0.4
73804	Economic/Development (IA Svcs)	Desktop/Network Support	Intra-dept	NatRes	0.0	1.7	2.1
73804	Economic/Development (IA Svcs)	Training Room Computer/Network Support	Intra-dept	NatRes	0.0	1.3	1.6
73804	Economic/Development (IA Svcs)	PIC Support	Intra-dept	NatRes	0.0	6.6	7.0
73804	Economic/Development (IA Svcs)	Fairbanks CIC Support	Intra-dept	NatRes	0.0	0.1	0.3
73804 Economic/Development (IA Svcs) subtotal:					14.2	9.7	11.4
73805	IT-Non-Telecommnctns	DOA ETS Computer Services	Inter-dept	Admin	3.3	2.9	2.5
73805	IT-Non-Telecommnctns	Microsoft Enterprise Contract.	Inter-dept	Admin	0.0	0.8	0.8
73805 IT-Non-Telecommnctns subtotal:					3.3	3.7	3.3
73806	IT-Telecommunication	DOA-ETS Telecom EPR. Telecommunication Services/PBX phone lines	Inter-dept	Admin	2.8	0.1	2.6
73806	IT-Telecommunication	Phones & Pagers	Inter-dept	Admin	0.0	3.0	3.0
73806 IT-Telecommunication subtotal:					2.8	3.1	5.6
73809	Mail	Central Mail Chargeback	Inter-dept	Admin	0.3	0.2	0.3
73809 Mail subtotal:					0.3	0.2	0.3
73810	Human Resources	DOA Personnel Costs	Inter-dept	Admin	0.3	0.6	0.5
73810 Human Resources subtotal:					0.3	0.6	0.5
73811	Building Leases	Atwood Building Lease cost	Inter-dept	Admin	0.8	1.0	0.8
73811	Building Leases	Atwood Building Garage Chargeback	Inter-dept	Admin	0.0	1.5	1.5
73811 Building Leases subtotal:					0.8	2.5	2.3
73812	Legal	Regulations Review	Inter-dept	Law	0.0	0.1	0.1
73812 Legal subtotal:					0.0	0.1	0.1
73814	Insurance	Risk Management Chargeback	Inter-dept	Admin	0.1	0.0	0.1
73814 Insurance subtotal:					0.1	0.0	0.1
73815	Financial	AKSAS/AKPAY RSA to DOA	Inter-dept	Admin	0.4	0.3	0.4
73815 Financial subtotal:					0.4	0.3	0.4
73816	ADA Compliance	ADA Compliance.	Inter-dept	Labor	0.0	0.1	0.1
73816 ADA Compliance subtotal:					0.0	0.1	0.1
73818	Training (Services-IA Svcs)	Training provided by State of Alaska	Inter-dept	Admin	0.2	0.5	0.5
73818 Training (Services-IA Svcs) subtotal:					0.2	0.5	0.5
73819	Commission Sales (IA Svcs)	Transaction charges from the State Travel Office.	Inter-dept	Admin	0.4	0.4	0.4
73819 Commission Sales (IA Svcs) subtotal:					0.4	0.4	0.4
73848	State Equip Fleet	State owned vehicle costs includes: State Equipment Fleet - Fuel A87 Allowed	Inter-dept	Trans	4.0	4.2	4.2

Inter-Agency Services
Department of Natural Resources

Component: Director's Office/Mining, Land, & Water (2440)
RDU: Resource Development (136)

<u>Expenditure Account</u>	<u>Service Description</u>	<u>Service Type</u>	<u>Servicing Agency</u>	<u>FY2009 Actuals</u>	<u>FY2010 Management Plan</u>	<u>FY2011 Governor</u>
	State Equipment Fleet - Operating A87 Allowed					
	State Equipment Fleet - Svs/PRT A87 Allowed					
	State Equipment Fleet - F/C A87 Allowed					
				73848 State Equip Fleet subtotal:	4.0	4.2
				Director's Office/Mining, Land, & Water total:	26.8	25.4
				Grand Total:	26.8	29.2